

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1003 be amended to read as follows:

- 1 Page 4, between lines 3 and 4, begin a new paragraph and insert:
2 "SECTION 2. IC 6-1.1-21-3, AS AMENDED BY
3 P.L.192-2002(ss), SECTION 40, IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The
5 department, with the assistance of the auditor of state and the
6 department of local government finance, shall determine an amount
7 equal to the eligible property tax replacement amount, which is the
8 estimated property tax replacement.
9 (b) The department of local government finance shall certify to the
10 department the amount of:
11 **(1) property tax deduction replacement credits provided**
12 **under IC 6-1.1-21.9 that are allowed by the county for the**
13 **particular calendar year; and**
14 **(2) homestead credits provided under IC 6-1.1-20.9 which are**
15 **allowed by the county for the particular calendar year; and**
16 **(3) the credits provided under section 5.9 of this chapter**
17 **that are allowed by the county for the particular calendar**
18 **year.**
19 (c) If there are one (1) or more taxing districts in the county that
20 contain all or part of an economic development district that meets the
21 requirements of section 5.5 of this chapter, the department of local
22 government finance shall estimate an additional distribution for the
23 county in the same report required under subsection (a). This additional

1 distribution equals the sum of the amounts determined under the
2 following STEPS for all taxing districts in the county that contain all or
3 part of an economic development district:

4 STEP ONE: Estimate that part of the sum of the amounts under
5 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
6 to the taxing district.

7 STEP TWO: Divide:

8 (A) that part of the estimated property tax replacement
9 amount attributable to the taxing district; by

10 (B) the STEP ONE sum.

11 STEP THREE: Multiply:

12 (A) the STEP TWO quotient; times

13 (B) the taxes levied in the taxing district that are allocated to
14 a special fund under IC 6-1.1-39-5.

15 (d) The sum of the amounts determined under subsections (a)
16 through (c) is the particular county's estimated distribution for the
17 calendar year.

18 SECTION 3. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
19 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
20 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department
22 shall allocate from the property tax replacement fund an amount equal
23 to the sum of:

24 (1) each county's total eligible property tax replacement amount
25 for that year; plus

26 (2) the total amount of homestead tax credits that are provided
27 under IC 6-1.1-20.9 and allowed by each county for that year;
28 plus

29 (3) an amount for each county that has one (1) or more taxing
30 districts that contain all or part of an economic development
31 district that meets the requirements of section 5.5 of this chapter.
32 This amount is the sum of the amounts determined under the
33 following STEPS for all taxing districts in the county that contain
34 all or part of an economic development district:

35 STEP ONE: Determine that part of the sum of the amounts
36 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
37 attributable to the taxing district.

38 STEP TWO: Divide:

39 (A) that part of the subdivision (1) amount that is
40 attributable to the taxing district; by

41 (B) the STEP ONE sum.

42 STEP THREE: Multiply:

43 (A) the STEP TWO quotient; times

44 (B) the taxes levied in the taxing district that are
45 allocated to a special fund under IC 6-1.1-39-5; **plus**

46 **(4) the total amount of property tax deduction replacement**
47 **credits that are provided under IC 6-1.1-21.9 and allowed by**
48 **each county for that year; plus**

49 **(5) the credits provided under section 5.9 of this chapter**
50 **that are allowed by the county for the particular calendar**

1 **year.**

2 (b) Except as provided in subsection (e), between March 1 and
3 August 31 of each year, the department shall distribute to each county
4 treasurer from the property tax replacement fund one-half (1/2) of the
5 estimated distribution for that year for the county. Between September
6 1 and December 15 of that year, the department shall distribute to each
7 county treasurer from the property tax replacement fund the remaining
8 one-half (1/2) of each estimated distribution for that year. The amount
9 of the distribution for each of these periods shall be according to a
10 schedule determined by the property tax replacement fund board under
11 section 10 of this chapter. The estimated distribution for each county
12 may be adjusted from time to time by the department to reflect any
13 changes in the total county tax levy upon which the estimated
14 distribution is based.

15 (c) On or before December 31 of each year or as soon thereafter
16 as possible, the department shall make a final determination of the
17 amount which should be distributed from the property tax replacement
18 fund to each county for that calendar year. This determination shall be
19 known as the final determination of distribution. The department shall
20 distribute to the county treasurer or receive back from the county
21 treasurer any deficit or excess, as the case may be, between the sum of
22 the distributions made for that calendar year based on the estimated
23 distribution and the final determination of distribution. The final
24 determination of distribution shall be based on the auditor's abstract filed
25 with the auditor of state, adjusted for postabstract adjustments included
26 in the December settlement sheet for the year, and such additional
27 information as the department may require.

28 (d) All distributions provided for in this section shall be made on
29 warrants issued by the auditor of state drawn on the treasurer of state.
30 If the amounts allocated by the department from the property tax
31 replacement fund exceed in the aggregate the balance of money in the
32 fund, then the amount of the deficiency shall be transferred from the
33 state general fund to the property tax replacement fund, and the auditor
34 of state shall issue a warrant to the treasurer of state ordering the
35 payment of that amount. However, any amount transferred under this
36 section from the general fund to the property tax replacement fund
37 shall, as soon as funds are available in the property tax replacement
38 fund, be retransferred from the property tax replacement fund to the
39 state general fund, and the auditor of state shall issue a warrant to the
40 treasurer of state ordering the replacement of that amount.

41 (e) Except as provided in subsection (i), the department shall not
42 distribute under subsection (b) and section 10 of this chapter the money
43 attributable to the county's property reassessment fund if:

44 (1) by the date the distribution is scheduled to be made, ~~(1)~~ the
45 county auditor has not sent a certified statement required to be
46 sent by that date under IC 6-1.1-17-1 to the department of local
47 government finance; ~~or~~

48 (2) by the deadline under IC 36-2-9-20, the county auditor has
49 not transmitted data as required under that section; ~~or~~

~~(2)~~ **(3)** *the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a).*

(f) Except as provided in subsection (i), if the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b), the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by ~~August 1~~ *October 1* as described in this section bears to the total number of townships in the county.

(g) Money not distributed ~~under subsection (e)~~ *for the reasons stated in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) *the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);*

with respect to which the failure to send *or forward* resulted in the withholding of the distribution under subsection (e).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f).

(i) The restrictions on distributions under subsections (e) and (f) do not apply if the department of local government finance determines that:

(1) the failure of:

(A) a county auditor to send a certified statement; or

(B) *a county assessor to forward copies of all approved exemption applications;*

as described in subsection (e); or

(2) the failure of an official to transmit data as described in subsection (f);

is justified by unusual circumstances.

SECTION 4. IC 6-1.1-21-5.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.9. (a) The following definitions apply**

throughout this section:

(1) "Adjusted gross income" refers to adjusted gross income (as defined in IC 6-3-1-3.5) derived from farming.

(2) "Net property tax bill" means the amount of property taxes currently due and payable in a particular calendar year after the application of all deductions and credits, except for the credit provided by this section, as evidenced by the tax statement referred to in IC 6-1.1-22-8.

(3) "Qualifying taxpayer" means a person who is liable for the payment of property taxes on a qualifying property.

(4) "Qualifying property" means agricultural land:

(A) that a qualifying taxpayer owned; or

(B) on which a qualifying taxpayer assumed liability for the payment of property taxes.

(5) "Taxable year" has the meaning set forth in IC 6-3-1-16.

(b) Each year a qualifying taxpayer may receive a credit against the net property tax bill on the qualifying taxpayer's qualifying property. The amount of the credit to which a qualifying taxpayer is entitled equals the lesser of two thousand dollars (\$2,000) or the remainder of:

(1) the amount of the net property tax bill without the application of the credit provided by this section; minus

(2) the following percentage of the qualifying taxpayer's adjusted gross income for the qualifying taxpayer's most recent taxable year that ends before the date on which the claim is filed under subsection (d):

(A) Ten percent (10%) if the adjusted gross income is less than twenty thousand dollars (\$20,000).

(B) Fourteen percent (14%) if the adjusted gross income is at least twenty thousand dollars (\$20,000) but less than fifty thousand dollars (\$50,000).

(C) Eighteen percent (18%) if the adjusted gross income is at least fifty thousand dollars (\$50,000) but less than seventy-five thousand dollars (\$75,000).

(c) A qualifying taxpayer who desires to claim the credit provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the qualifying property is located. The statement must be filed during the twelve (12) months preceding May 11 of the year before the year for which the qualifying taxpayer wishes to obtain the credit under this section. The statement must contain the following information:

(1) The full name or names and complete address of the qualifying taxpayer.

(2) A description of the qualifying property

(3) The amount of the qualifying taxpayer's adjusted gross income referred to in subsection (b).

(4) The name of any other county and township in which the qualifying taxpayer owns or is buying on contract real property.

(5) The record number and page where the contract or memorandum of the contract is recorded if the qualifying property is under contract purchase.

(6) Any other information required by the department of local government finance.

(d) The auditor of a county with whom a statement is filed under subsection (c) shall immediately prepare and transmit a copy of the statement to the auditor of any other county if the qualifying taxpayer who claims the credit owns or is buying real property located in the other county as described in subsection (c)(4). The auditor of the other county described in subsection (c)(4) shall note on the copy of the statement whether a credit has been claimed under this section for a qualifying property located in the auditor's county. The auditor shall then return the copy to the auditor of the first county.

(e) If a proper credit statement is filed under subsection (c), the county auditor shall allow the credit and shall apply the credit equally against each installment of property taxes. The county auditor shall include the amount of the credit applied against each installment of property taxes on the tax statement required under IC 6-1.1-22-8.

(f) If a taxpayer knowingly or intentionally files a false statement under this section, the taxpayer must pay the amount of any credit the taxpayer received because of the false statement, plus interest at the rate of ten percent (10%) per year, to the county auditor for distribution to the taxing units of the county in the same proportion that property taxes are distributed.

SECTION 5. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 21.9. Property Tax Deduction Replacement Credits

Sec. 1. This chapter applies to the following a qualified property tax deduction.

Sec. 2. The definitions set forth in IC 6-1.1-21 apply throughout this chapter.

Sec. 3. As used in this chapter, "county property tax deduction replacement amount" means the sum of a particular county's taxpayer property tax deduction replacement credits.

Sec. 4. As used in this chapter, "qualified property tax deduction" means the property tax deduction under IC 6-1.1-12-44.

1 **Sec. 5. As used in this chapter, "taxpayer's property tax**
 2 **deduction replacement credit" means the amount determined in**
 3 **the last of the following STEPS:**

4 **STEP ONE: Determine the sum of the taxpayer's qualified**
 5 **property tax deductions.**

6 **STEP TWO: Multiply the STEP ONE result by the total net**
 7 **tax rate applicable in the taxpayer's taxing district.**

8 **Sec. 6. The department, with the assistance of the auditor of**
 9 **state and the department of local government finance, shall**
 10 **determine for each county an amount equal to the county**
 11 **property tax deduction replacement amount.**

12 **Sec. 7. For purposes of calculating tax rates, the county**
 13 **auditor shall add the sum of each county taxpayer's qualified**
 14 **property tax deductions to the county's net assessed value.**

15 **Sec. 8. For purposes of calculating a particular taxpayer's tax**
 16 **bill, the county treasurer shall add the sum of the taxpayer's**
 17 **qualified property tax deductions to the taxpayer's net assessed**
 18 **value.**

19 **Sec. 9. Each year the taxpayers of each county shall receive**
 20 **a credit for property tax deduction replacement in the amount of**
 21 **each taxpayer's property tax deduction replacement credit amount**
 22 **for taxes which under IC 6-1.1-22-9 are due and payable in May**
 23 **and November of that year. The credit shall be applied to each**
 24 **installment of taxes. The dollar amount of the credit for each**
 25 **taxpayer shall be determined by the county auditor based on data**
 26 **furnished by the department of local government finance.**

27 **SECTION 6. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-21-3**
 28 **and IC 6-1.1-21-4, both as amended by this act, apply only to**
 29 **property taxes first due and payable after December 31, 2003.**

30 **(b) IC 6-1.1-21-5.9 and IC 6-1.1-21.9, as added by this act,**
 31 **apply only to property taxes first due and payable after December**
 32 **31, 2003."**

33 Renumber all SECTIONS consecutively.

(Reference is to HB 1003 as printed January 13, 2004.)

Representative THOMPSON